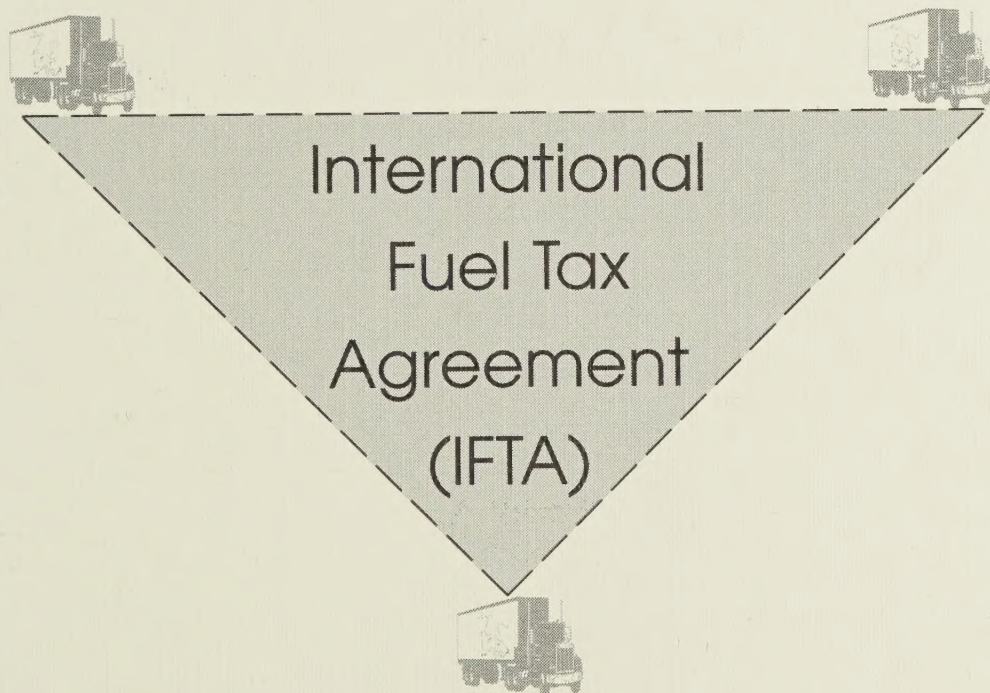


CA20N  
TR  
-Z010



# Interjurisdictional Carrier's Manual



Ministry of Finance

## Further information about IFTA

### Ministry of Finance toll-free numbers

Canada and the United States	1-800-263-7775
French Language Enquiries	1-800-668-5821
Teletypewriter (TTY )	1-800-263-7776

### Fax Numbers

Ministry of Finance	(905) 436-4507
Ministry of Finance	(905) 436-4511

Copyright © Queen's Printer for Ontario, 1996

08/96/10,000

ISBN 0-7778-5125-3





# Interjurisdictional Carrier's Manual

The objective of this publication is to present information about the International Fuel Tax Agreement (IFTA) program and your responsibilities as a participant in the program. It does not replace the law, regulations or administrative documents under which the IFTA program is administered; nor does it constitute a legal interpretation of the provisions of the Fuel Tax Act, the Gasoline Tax Act, and the regulations made thereunder.

Tax and Decal Fee Payments	For More Information
<p><b>Mail to:</b></p> <p>Ministry of Finance P.O. Box 620 Taxation Data Centre 33 King Street West Oshawa, Ontario L1H 8E9</p>	<p><b>Write to:</b></p> <p>IFTA Program Ministry of Finance Motor Fuels and Tobacco Tax Branch 33 King Street West Oshawa, Ontario L1H 8H9</p>



# Table of Contents

## Introduction

What is IFTA? .....	4
Who is eligible to register under IFTA? .....	4
What is a qualified motor vehicle? .....	5

## Registration and Renewal Procedures

Initial Application for Licence .....	6
IFTA Licence .....	6
IFTA Decals .....	7
Additional IFTA Decals .....	7
Decal Fees .....	7
Annual Licence Renewal .....	8
Contract Agreements .....	8

## Reporting Requirements

Quarterly Fuel Tax Returns .....	9
Due Dates .....	10
Measurements for Fuel Tax Reporting .....	11
Non-taxable Distance .....	11
Non-taxable Fuel Use .....	12
Tax Due and Refunds .....	12
Payments .....	13
Amended Returns .....	13

## Failure to File a Quarterly Fuel Tax Return

Failure to Pay Fuel Tax .....	13
Failure to File a Complete Fuel Tax Return .....	14
Failure to File Fuel Tax Returns .....	14
Penalty and Interest Provisions .....	14

## Licence Cancellation, Revocation and Reinstatement

Licence Cancellation .....	16
Licence Revocation .....	16
Licence Reinstatement .....	17
Bankruptcy .....	17
Bonds and Guarantees .....	17



**Recordkeeping Requirements**

Record Retention Period ..... 18

Distance Records ..... 18

Fuel Receipts ..... 18

Bulk Fuel Storage ..... 19

Records to Support Non-taxable Distance ..... 20

**Audits**

Audit Approach and Standards ..... 20

Audit Communications ..... 20

Inadequate Records ..... 21

Audit Results ..... 21

**Appeals**

Thirty (30) Day Objection Period ..... 22

Decision on Your Objection ..... 22

**Appendices**

Appendix A: IFTA-Member Jurisdictions ..... 23

Appendix B: Samples of Request for Additional Decals Form  
and Quarterly Fuel Tax Returns ..... 24

# Introduction

## What is IFTA?

The International Fuel Tax Agreement (IFTA) is an agreement among jurisdictions in Canada and the United States that simplifies the reporting by interjurisdictional carriers (IJC's) of motorfuel use tax for diesel, gasoline, gasohol, propane, and natural gas. When you register for IFTA:

- you will receive two decals per qualified motor vehicle and a single IFTA licence which will allow you to travel in all IFTA-member jurisdictions.
- you will file quarterly fuel tax returns only with Ontario (your base jurisdiction) to report your operations in each of the IFTA-member jurisdictions. The return will cover fuel tax reporting for diesel, gasoline, gasohol, propane, and natural gas.
- on your return, you will calculate one tax due or credit amount by netting a motor fuel tax overpayment in one jurisdiction against a liability in another jurisdiction. If the net result is an underpayment, you will remit one cheque to Ontario. If the net result is an overpayment, you will receive one refund from Ontario.
- tax audits for the five types of fuel (diesel, gasoline, gasohol, propane and natural gas) will be conducted by Ontario for all IFTA-member jurisdictions.

## Who is eligible to register under IFTA?

You must meet all of the following criteria to register in Ontario:

- your qualified motor vehicles (see definition on page 5) are registered in Ontario;
- you have an established place of business in Ontario from which you maintain operational control of your qualified motor vehicles;



- you keep records for your qualified motor vehicles in Ontario, or will make your records available to officials of the Ministry of Finance in Ontario, for audit; and
- your qualified motor vehicles travel in Ontario and at least one other IFTA jurisdiction.

If you qualify for IFTA registration but do not wish to participate in the program, you must obtain single trip permits, according to the regulations of each member jurisdiction, to travel through member jurisdictions.

If you travel in jurisdictions that are not members of IFTA, you must continue to follow the procedures and file the returns required by the statutes and regulations of those non-IFTA jurisdictions.

## What is a qualified motor vehicle?

A qualified motor vehicle includes a motor vehicle that is used to transport persons or property, and:

- has two axles and a registered gross vehicle weight of more than 11,797 kg (26,000 pounds); or
- has three or more axles on the power unit regardless of weight; or
- has a total registered gross vehicle weight of more than 11,797 kg when used in combination.

Recreational vehicles, irrespective of weight or axle configuration, when not used in connection with a business endeavor are not considered qualified motor vehicles. Recreational vehicles include motor homes, pickup trucks with attached campers, and buses when used exclusively for personal pleasure by an individual.

Light trucks and vans with a registered gross vehicle weight (including trailer weight, if any) below 11,797 kg (26,000 pounds) are excluded, even if they are being used for commercial transportation of goods or passengers inside and outside Ontario. Generally, these vehicles include delivery vans, service vehicles and pick up trucks used by local merchants, short-haul carriers, inter-city carriers, courier services and so on.

## **Registration and Renewal Procedures**

### Initial application for licence

To apply for your IFTA licence and decals, submit a completed "Application for IFTA Registration - IFTA 401" form and the required decal fee payment to our office. The decal fee is shown on the application form.

You can obtain an application form by contacting the Ministry of Finance at any of the phone numbers listed on the inside front cover of this manual.

On the application, you must provide basic information about your business, your interjurisdictional operation and the number of decals you need during the registration year. Failure to provide the required information or the decal fee payment may result in a delay in processing your application. Once your application is approved, your licence and decals will be mailed to the mailing address indicated on your application.

If your licence is revoked in another IFTA-member jurisdiction, you will not be eligible to register in Ontario.

### IFTA licence

The Ministry will issue a single IFTA licence for your fleet of vehicles. The licence is valid for one year from January 1 through December 31. Make legible copies of the original licence and



place one copy in each of your qualified motor vehicles. Keep the original licence with your business records. Use the original to make additional copies when adding a qualified motor vehicle to your fleet during the registration year. If you are found operating a qualified motor vehicle without an IFTA licence or without a valid trip permit, you will receive a fine and will be required to purchase a trip permit.

## IFTA decals

You will receive two (2) decals for each qualified motor vehicle in your fleet. IFTA decals are valid for one year from January 1 through December 31. The decals must be affixed to the outside of each qualified motor vehicle, one on either side of the cab. Manufacturers, dealers and transporters (including drive-away operators) of motor vehicles to which a permanent licence is not attached, may temporarily display decals in a visible manner.

You may display your decals one month before the effective date provided you keep the current year licence in the qualified motor vehicle until January 1. If you do not display the IFTA decals properly, you will receive a fine and will be required to purchase a single trip permit. You cannot transfer decals between vehicles.

## Additional IFTA decals

During the registration year, you may purchase decals for any qualified motor vehicle you add to your fleet by submitting the "Request for Additional Decals - IFTA 421" form that you received with your IFTA credentials (a sample of this form is shown on page 24).

## Decal fees

A decal fee is charged for each pair of IFTA decals that you order. The decal fee is printed on all application forms. The required decal fees must be paid before the Ministry can issue your decals. Decal fee payments should be made payable to the **Minister of Finance**. Payments cannot be made at financial institutions.

## Annual licence renewal

Your IFTA licence and decals must be renewed each year. At least thirty days before your IFTA licence expires, you will receive an application form to renew your IFTA licence and decals.

Complete the form, make any changes to your name and address(es), and return the form with your decal fee payment to the Ministry of Finance before December 31st (please refer to the mailing address on the first page of this manual).

Your renewal licence and decals will be issued after your account has been screened for compliance with all Ontario IFTA requirements. You are allowed a two-month grace period to display the current year IFTA licence and decals. We cannot issue a renewal licence and decals if:

- your account has been cancelled or revoked;
- you have failed to file a fuel tax return;
- you have failed to remit any payments to Ontario to cover the liability for all IFTA-member jurisdictions; or
- you have shown no interjurisdictional operations over the last year.

**You must file all delinquent returns and pay all taxes, penalties and interest owing on your account before your renewal licence and decals will be issued.**

## Contract agreements

Contract agreements should detail which party, the owner of the vehicle or the carrier, is responsible for fuel tax reporting. These agreements need to specifically define the period the agreement covers. If the contract does not clearly establish which party will report fuel-use tax (or in the absence of a contract altogether) the lessee (carrier) will be responsible for fuel tax reporting and for paying taxes on fuel use. Keep a copy of the contract with your records or rental agreement indicating the party responsible for paying and reporting fuel taxes.



The examples below provide guidelines to determine the parties that are normally responsible for registering under IFTA and reporting fuel taxes:

- rental companies who lease qualified vehicles for less than 30 days, unless a written agreement says otherwise;
- carriers who employ independent contractors (owner/operators) or lease qualified vehicles for more than 29 days are responsible for fuel tax reporting, unless a written agreement says otherwise;
- independent contractors (owner/operators) who are employed by a carrier for more than 29 days where the independent contractors are identified in the written agreement as being responsible for fuel tax reporting;
- for household goods carriers who employ independent contractors (owner/operators), the party who holds the operating authority for the qualified vehicle is responsible for reporting fuel taxes.

## Reporting Requirements

### Quarterly fuel tax returns

The Ministry of Finance will send a fuel tax return to you at least 30 days before each due date. If you told the Ministry of Finance that you use only one type of fuel to power your qualified motor vehicles, you will receive an IFTA Quarterly Tax Return - IFTA 501 form (See sample of form on page 25).

If you told the Ministry that you use more than one type of fuel to power your qualified motor vehicles, you will receive a tax return which includes an IFTA Quarterly Tax Return - IFTA 503 form and one IFTA Quarterly Fuel Schedule - IFTA 511 for each fuel type (see sample forms, pages 27 and 28). Schedules may be filed for the following fuel types: diesel, gasoline, gasohol, propane and natural gas.

**Note to carriers who use gasohol to power their qualified motor vehicles:** Please call the Ministry, toll-free, (1-800-263-7775) to find out how to claim a tax refund that applies to the use of gasohol.

If your operations change during the year, please notify the Ministry so that the Ministry can mail you the appropriate fuel tax return and schedules. If you do not receive your fuel tax return form, it remains your responsibility to file a return by the due date. Please contact the Ministry if you do not receive the fuel tax return and the Ministry will send one to you.

You must file a complete fuel tax return each quarter even if you did not operate your vehicles in any IFTA jurisdiction or purchase any taxable fuel during the quarter. A complete fuel tax return includes:

- the IFTA 501 form with both back and front completed; OR
- the IFTA 503 form and one IFTA 511 schedule for each fuel type used by your qualified motor vehicles during the quarter; AND
- payment for any taxes due.

*Fuel and distance must be reported on the fuel tax return in litres and kilometres.*

## Due dates

Quarterly fuel tax returns must be postmarked or hand delivered by the due date. The due date for each quarter is shown on the top of every fuel tax return. If the due date falls on a Saturday, Sunday or a statutory holiday, the next business day is the final filing date. The reporting quarters and due dates are:

IFTA Reporting Quarter	Return Due Date
January - March	April 30
April - June	July 31
July - September	October 31
October - December	January 31



If your fuel tax return is late or full payment is not received, you will be subject to penalty and interest provisions. Failure to file a return with the Ministry of Finance may result in your licence being revoked.

## Measurements for fuel tax reporting

You must report fuel usage and distance travelled in kilometres and litres. Please convert gallons to litres and miles to kilometres by using the following table. Round your totals to the nearest whole litre or kilometre.

Conversion Table		
1 litre	=	.2642 U.S. gallons
1 U.S. gallon	=	3.785 litres
1 imperial gallon	=	4.546 litres
1 mile	=	1.609 kilometres
1 kilometre	=	.62137 miles

## Non-taxable distance

Non-taxable distance is allowed when your vehicle(s) qualifies for an exemption that is provided by an IFTA jurisdiction (such as distance travelled under a single trip permit). You will receive a Member Jurisdiction Information Chart that lists the exemptions provided by the IFTA-member jurisdictions.

IFTA requires that you report both ‘total kilometres’ and ‘taxable kilometres’ when filing tax returns. On your returns:

- Include amounts for all distance travelled (both taxable and non-taxable distance), as well as all fuel used (both taxable and non-taxable fuel), when calculating your ‘kilometres per litres’ (KPL) for each fuel type. (See explanation of ‘non-taxable fuel use’ on page 12); and

- Use the following formula to calculate the taxable kilometres for each jurisdiction in which you are claiming non-taxable distance.

Taxable kilometres = total kilometres per jurisdiction  
MINUS  
non-taxable kilometres per jurisdiction.

All jurisdictions require documentation to support a claim of non-taxable distance.

## Non-taxable fuel use

On your IFTA tax return, you must report all fuel placed in the tank of your qualified motor vehicles as taxable. Some IFTA jurisdictions provide a refund of the tax paid on fuel used in non-taxable operations. (Please refer to the IFTA Member Jurisdiction Information Chart which lists the operations that qualify as non-taxable). To claim a refund, you must submit your claim directly to the jurisdiction where the fuel was purchased. Please maintain adequate records to support your claims of non-taxable fuel use in these jurisdictions.

## Tax due and refunds

When completing your fuel tax return, calculate your net tax due or credit claimed for this period by netting the tax or credit amounts calculated for each jurisdiction in which you travelled this reporting period. If the net result is tax due, send one cheque to Ontario for the net tax due amount. If the net result is a credit claim, Ontario will refund the credit amount.

The IFTA Tax Rates -IFTA 521 form included with your returns lists the current tax rate and surcharge rates for all IFTA- member jurisdictions for that reporting quarter. The tax rates have been converted to Canadian currency. Do not use old tax rate tables. The Ministry will inform you of changes in tax rates and IFTA procedures.



## Payments

All tax payments and decal fee payments should be made payable to the **Minister of Finance** and mailed to: **Ministry of Finance, PO Box 620, Taxation Data Centre, 33 King Street West, Oshawa, Ontario, L1H 8E9**. Payments cannot be made at financial institutions.

When cheques sent to the Ministry are returned by any financial institution, the Ontario Ministry of Finance may assess a non-negotiable cheque fee and will hold any refund (fuel tax or audit) or will use the refund amount to cover the returned cheque, until full payment is received.

## Amended returns

If you need to correct a prior fuel tax return, please contact the Ministry for a blank return for that reporting period.

- Check the box marked 'Amended Return' on your fuel tax return.
- Ensure that the reporting period dates reflect the period you are correcting.
- **Fully** complete the return with the correct information.
- Sign and date the return.

## Failure to File a Quarterly Fuel Tax Return

### Failure to pay fuel tax

Failure to pay fuel tax due to each jurisdiction according to the fuel tax return will result in interest and penalty charges. You must remit a payment to Ontario to cover the liability for all IFTA-member jurisdictions or your licence may be revoked. If you do not agree with an assessment, you will have to prove the assessment is not correct or appropriate. Tax credits pending on

your account or credit from an audit will first be applied to any tax due, interest, or penalty owing from quarterly fuel tax returns. **You are responsible to pay all charges billed to you by the Ministry or your licence may be revoked. In such a case, all IFTA-member jurisdictions, as well as the law enforcement agencies where appropriate, will be notified.**

## Failure to file a complete fuel tax return

Failure to file a complete return (IFTA 501 or IFTA 503 and IFTA 511 schedules) will result in penalty charges. A complete return allows the Ministry to clear your liability with each IFTA-member jurisdiction. A return must still be filed for any quarter where your vehicles did not travel interjurisdictionally.

## Failure to file fuel tax returns

If you fail to file your fuel tax returns, the Ministry will estimate your tax liability for each member jurisdiction based upon the information available to the Ministry. Your past filing history, or the history of similar filers, will be used for this tax assessment. Once the Ministry has compiled an accurate comparison of your fleet, it will assess you the estimated tax liability along with any interest. The Ministry of Finance may require you to post a fuel tax bond that will be applied to future tax liabilities.

In these circumstances, it is your responsibility to prove that the Ministry's assessment is incorrect.

## Penalty and interest provisions

### Penalty

Ontario imposes a penalty when:

- a return is filed late;
- full payment for tax due is not received by the due date;
- a complete fuel tax return is not filed; or



- an amended return is filed resulting in a substantial increase in tax due from that reported on the initial return.

The penalty is 5% of the net tax due.

**Interest Charges**

Interest is charged on tax due to a jurisdiction beginning on the due date of the return until the date that the payment is received. The interest rate is the Canadian Federal Treasury Bill rate plus 2%.

**Example:** If you file your fuel tax return 30 days after the due date with a full payment, you will be assessed a penalty and interest as shown below. In this example, the interest rate is 7% per annum.

Tax Due (DR) or Credit (CR) on fuel tax return	Interest Calculation	Penalty Calculation
	Interest is calculated only on tax due amounts; in this example, Ontario and Michigan.	Penalty is calculated on the Net Tax for the return.
Ontario    \$3,500 dr New York   \$1,000 cr Michigan <u>\$2,500 dr</u> Net Tax    \$5,000 dr	Ontario interest    = \$20.14 New York interest   =   0. Michigan interest    = <u>\$14.38</u> Total interest        = \$34.52	Penalty = \$5,000 x 5% = \$250.00

**Assessment amount = interest + penalty**  
= \$34.52 + \$250.00  
= \$284.52

# Licence Cancellation, Revocation and Reinstatement

## Licence cancellation

You may cancel your IFTA licence when you are no longer operating qualified motor vehicles interjurisdictionally or you prefer to acquire single trip permits for interjurisdictional travel. To request the cancellation of your IFTA licence, check the 'Cancel IFTA Licence' box on your final quarterly return and enter the last date of operations, or mail a signed letter requesting cancellation to the address for the IFTA program on the first page of this manual.

The Ministry of Finance may cancel your IFTA licence if you:

- declare bankruptcy;
- do not renew your IFTA decals; or
- show no interjurisdictional operations over the last year (i.e., file 'nil' returns).

Ontario's auditors have the discretion to conduct a final audit of your records after your IFTA account is closed. After cancellation, you must keep all records for four years. The Ministry will notify all IFTA-member jurisdictions of your cancellation.

To reactivate your cancelled account, you must submit a new application form quoting your cancelled IFTA account number, along with the required decal fees.

## Licence revocation

The Ministry of Finance may revoke your IFTA licence if you fail to comply with IFTA requirements such as:

- filing complete quarterly returns on time,
- paying taxes in full, or
- following the Ministry's record-keeping requirements.



An account may be revoked for an outstanding audit assessment or for failure to comply with other requirements. A notice of revocation will be mailed to the mailing address listed on your application. The Ministry will notify all IFTA jurisdictions of your revocation. For interjurisdictional trips made while your licence is revoked, you will be required to purchase single trip permits from each jurisdiction in which you intend to travel, including Ontario.

## Licence reinstatement

To reinstate your revoked IFTA licence, you must satisfy the requirements which resulted in the revocation and make all required payments. This includes payment of all taxes, penalties and interest, filing of all returns, and provision of all records requested by the Ministry of Finance. You will be required to complete a new application and pay the required decal fees to reactivate your account. The Ministry may require that you post a bond to satisfy any potential liabilities to all member jurisdictions. The Ministry will notify all IFTA jurisdictions of your reinstatement.

## Bankruptcy

If you file for bankruptcy, please contact the Motor Fuels and Tobacco Tax Branch of the Ministry of Finance.

## Bonds and guarantees

IFTA registrants are not normally required to post a bond with Ontario. However, you may be required to post a bond if you do not file fuel tax returns, pay taxes, penalties or interest in the time allowed, or if an audit reveals that a guarantee is necessary to protect the interests of IFTA member jurisdictions. You may also be required to post a bond if a cheque is returned by your banking institution.

# Recordkeeping Requirements

## Record retention period

You must maintain records to prove that the information reported on your fuel tax return is accurate. You must keep these records for four (4) years from the return due date or filing date, whichever is later. You may keep the records on paper, microfilm, microfiche, or computerized storage system. You must be able to provide these records in a form acceptable to the Ministry.

## Distance records

You must maintain distance records which show operations on an individual vehicle basis. This includes proof of taxable and non-taxable fuel use and taxable and non-taxable distance travelled.

A trip report is an acceptable source document and must include:

- start and end dates of a trip
- point of origin and the destination
- routes of travel (list the highways used when leaving and entering a jurisdiction)
- odometer or hubometer readings at the beginning and end of each trip
- total trip distance
- distance travelled in each jurisdiction (odometer or hubometer readings at jurisdiction line)
- power unit number or vehicle identification number (VIN)
- fleet number
- name of the registrant

## Fuel receipts

You must keep a complete record of all fuel purchased, received, and used in the operation of your vehicles. Separate totals must be calculated for each fuel type. Fuel types are diesel, gasoline, gasohol, propane and natural gas.



All original fuel receipts or invoices must include:

- date of fuel purchase
- seller's name and address
- number of litres purchased
- fuel tax paid on number of litres
- type of fuel
- price per litre or total amount of fuel sale
- unit numbers of the vehicles in which the fuel was placed
- purchaser's name - for contract or rental agreement, receipts will be accepted as long as the name on the contract provides a legal connection to the reporting party
- Amount of fuel purchased while travelling under a single trip permit. (You are required to keep a copy of your single trip permit).

*Keep a copy of the contract agreement indicating the party responsible for paying fuel taxes.*

Acceptable fuel receipts include an invoice, credit card receipt, microfilm/microfiche of the original invoice, automated vendor-generated invoices or transaction listings. Supplier's statements are not acceptable fuel receipts. Altered receipts will not be accepted.

## Bulk fuel storage

If you have your own tax-paid bulk storage facility, you may obtain credit for the tax paid on the fuel **withdrawn** from that storage facility and **issued** to qualified interjurisdictional motor vehicles. Claim the credit against the jurisdiction in which you purchased the bulk fuel. Keep all invoices for bulk fuel. Your records must distinguish between fuel placed in qualified motor vehicles and non-qualified motor vehicles (such as cars, pick-up trucks, small trucks, recreation vehicles or non-highway vehicles such as construction equipment and unlicensed farm vehicles). Records must show non-highway vehicles (such as construction equipment and farm vehicles) using bulk fuel.

Your records must contain the following information:

- date of withdrawal
- number of litres withdrawn
- fuel type
- unit number of the vehicle in which the fuel was placed
- purchase and inventory records to substantiate that tax was paid on all bulk purchases
- location of the bulk storage facility

## Records to support non-taxable distance

Keep appropriate records to support non-taxable distance travelled, which you have claimed on your fuel tax return.

# Audits

## Audit approach and standards

When you are selected for an audit, the Ministry of Finance will contact you in advance to schedule the audit at a mutually convenient time. The Ministry will advise you of the time period to be audited and the records to be reviewed. The Ministry will conduct the audit on behalf of all jurisdictions in which your qualified motor vehicles have travelled. The duration of IFTA audits may be longer than the motor fuel tax audits you had before the start of IFTA. If you do not keep your records in Ontario and the Ministry must send its auditor to another jurisdiction, you (or your company) will be required to pay all travel expenses connected with your audit. Ontario's audits conform to the standards documented in the IFTA Audit Manual.

## Audit communications

At the beginning of the audit, the auditor will meet with you to discuss such topics as your operation, audit procedures, records to be examined and the Ministry's sampling methodology. At the

completion of the audit, the auditor will discuss the preliminary findings with you and recommend how to improve or simplify your record-keeping.

## Inadequate records

If your records are lacking or inadequate to support the information filed on your returns or to determine your tax liability, the auditor may take one or more of the following actions:

- estimate your distance travelled and fuel consumption based on your reporting history or the history of a similar operation;
- apply a standard average 1.7 KPL (diesel) or 1.2 KPL (gasoline) or 1.0 KPL (propane) in calculating your tax liability;
- not allow your unsupported claims for exemptions and tax paid purchases.

**Failure to keep proper records may result in revocation.**

## Audit results

The Ministry of Finance will send you its audit findings which will comment on the completeness and accuracy of your records, including any areas where you need to take corrective action.

The Ministry will send the audit results to the IFTA jurisdictions in which your qualified motor vehicles travelled. If the Ministry's auditor finds that you owe taxes to any member jurisdiction, you will pay the tax, penalty and interest owed directly to the Ministry. The Ministry will distribute your payment to each member jurisdiction. If the Ministry finds that an IFTA jurisdiction owes you money, the Ministry will credit your account for the amount owed to you by the other IFTA jurisdiction.

Audits are completed by Ontario's auditors; however, representatives of other IFTA-member jurisdictions may join the audit if they wish. If another IFTA-member jurisdiction chooses to re-audit the Ministry's findings, the auditors of the member jurisdiction must use the same sample period used during the original audit and conduct the re-audit in cooperation with Ontario's auditors.



# Appeals

## Thirty (30) day objection period

You may object to any action or audit finding by filing a Notice of Objection form with the Tax Appeals Branch of the Ministry of Finance. You can obtain an objection form by contacting the Ministry of Finance at any of the phone numbers listed on the inside front cover of this manual. Your objection must be filed within 30 days of the date of the original action or finding. If you do not file your objection within 30 days, the action or finding is final. You are obligated to pay all amounts due even if the decision on your objection is outstanding.

## Decision on your objection

The Tax Appeals Branch will send you its findings and its decision on your objection. If the dispute involves an audit and you continue to disagree with the decision, you may request each jurisdiction that you operate in to audit your records. However, the jurisdiction may deny the request. Jurisdictions which agree to audit your records will audit only the information involving your operations with them. You will be responsible for all costs related to these audits.

# Appendix A: IFTA-Member Jurisdictions

## CANADIAN PROVINCES

AB	Alberta
BC	British Columbia
MB	Manitoba
NB	New Brunswick
NF	Newfoundland
NS	Nova Scotia
ON	Ontario
PE	Prince Edward Island
QC	Quebec
SK	Saskatchewan

## UNITED STATES

AL	Alabama	ME	Maine	OH	Ohio
AR	Arkansas	MD	Maryland	OK	Oklahoma
AZ	Arizona	MA	Massachusetts	OR	Oregon
CA	California	MI	Michigan	PA	Pennsylvania
CO	Colorado	MN	Minnesota	RI	Rhode Island
CT	Connecticut	MS	Mississippi	SC	South Carolina
DE	Delaware	MO	Missouri	SD	South Dakota
FL	Florida	MT	Montana	TN	Tennessee
GA	Georgia	NE	Nebraska	TX	Texas
IA	Iowa	NV	Nevada	UT	Utah
ID	Idaho	NH	New Hampshire	VT	Vermont
IL	Illinois	NJ	New Jersey	VA	Virginia
IN	Indiana	NM	New Mexico	WA	Washington
KS	Kansas	NY	New York	WI	Wisconsin
KY	Kentucky	NC	North Carolina	WV	West Virginia
LA	Louisiana	ND	North Dakota	WY	Wyoming



# Appendix B: Samples of Request for Additional Decals Form and Quarterly Fuel Tax Returns

<b>Ontario</b> <small>Ministry of Finance Motor Fuels and Tobacco Tax Branch PO Box 620 33 King Street West Oshawa ON L1H 8E9</small>		<b>Request for Additional Decals - IFTA 421</b> <small>International Fuel Tax Agreement • Fuel Tax &amp; Gasoline Tax Acts</small>	
Quote this number when dealing with the Branch.	IFTA Account No. <b>ON</b>	Legal Name	Expiry Date for Decals
<b>Instructions</b> If you need to purchase additional IFTA decals for any vehicle(s) you have added to your fleet, complete the <b>Request for Additional Decals - IFTA 421</b> .  To qualify for IFTA decals the vehicle(s) must: <ul style="list-style-type: none"><li>• have <b>two axles</b> and gross vehicle weight of more than 11,797 kgs (26,000 lbs)</li><li>• have <b>three or more axles</b> regardless of weight; or</li><li>• be used in combination with a trailer resulting in a total weight of more than 11,797 kgs (26,000 lbs)</li></ul>			
<b>Please complete the following information on the Request for Additional Decals IFTA 421 in <span style="border: 1px solid black; padding: 0 2px;">A</span>, <span style="border: 1px solid black; padding: 0 2px;">B</span>, <span style="border: 1px solid black; padding: 0 2px;">C</span></b>			
<b><span style="border: 1px solid black; padding: 0 2px;">A</span> Fuel Type(s) Used by the Vehicle(s)</b> Identify the type(s) of fuel used by the vehicle(s) for which you are requesting additional decals.			
<b><span style="border: 1px solid black; padding: 0 2px;">B</span> Number of Vehicle(s)</b> Enter in this box the number of additional vehicle(s) requiring decals.			
<b><span style="border: 1px solid black; padding: 0 2px;">C</span> Amount Enclosed</b> Multiply the number of vehicles requiring decals by the decal fee and write this amount in <span style="border: 1px solid black; padding: 0 2px;">C</span> . Enclose a payment for this amount. Please print your name and title and remember to sign and date the request. Please allow 7 days to process your request.			
<b>Payment</b> Please detach the tear-off portion below and mail together with your cheque. Decal payments must be made either by cheque or money order payable to the Minister of Finance. Mail your payment to the Ministry of Finance, Taxation Data Centre, PO Box 620, 33 King Street West Oshawa ON L1H 8E9. Note, payment cannot be made at financial institutions.  Failure to fully complete and sign the request or to enclose payment will result in delays in receiving your decals.  If you need more information or assistance, please contact us at any of the following numbers:			
Canada and the United States .....		1-800-263-7775	
French Language Enquiries .....		1-800-668-5821	
TTY (Telecommunication device for the deaf) .....		1-800-263-7776	
<b>Ontario</b> <small>Ministry of Finance Motor Fuels and Tobacco Tax Branch PO Box 620 33 King Street West Oshawa ON L1H 8E9</small>		<b>Request for Additional Decals - IFTA 421</b> <small>International Fuel Tax Agreement • Fuel Tax &amp; Gasoline Tax Acts</small>	
Quote this number when dealing with the Branch.	IFTA Account No. <b>ON</b>	Legal Name	Expiry Date for Decals
Certification: To the best of my knowledge and belief the statements on this request are certified to be correct.  Requestor's Name _____ Title _____  Signature _____ Date _____		<div style="border: 1px solid black; padding: 5px;"><b><span style="border: 1px solid black; padding: 0 2px;">A</span> Please <input checked="" type="checkbox"/> appropriate fuel type(s)</b> 01 <input type="checkbox"/> Diesel   03 <input type="checkbox"/> Gasohol   05 <input type="checkbox"/> Natural Gas 02 <input type="checkbox"/> Gasoline   04 <input type="checkbox"/> Propane</div> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"><b><span style="border: 1px solid black; padding: 0 2px;">B</span> Enter the number of vehicles requiring decals</b>   <b><span style="border: 1px solid black; padding: 0 2px;">C</span> Amount Enclosed</b> _____ = \$ _____ _____ X \$10.00</div>	



Ministry of Finance  
Motor, Fuel and Tobacco Tax Branch  
PO Box 620  
33 King Street West  
Oshawa ON L1H 8E9

## IFTA Quarterly Tax Return Diesel - IFTA 501

International Fuel Tax Agreement • Fuel Tax & Gasoline Tax Acts

**IMPORTANT:** You must complete the schedule printed on the reverse of this form first.

Quote this number when dealing with the Branch. <b>ON</b>	IFTA Account No.	Reporting Period (Year/Month/Day) from to	Due Date
--	------------------	--	----------

Select where applicable:

☐ Amended Return  
☐ No Interjurisdictional Operations this tax period  
☐ Cancel IFTA licence  
☐ All travel and fuel reported by another company  
☐ Cancel this Fuel Type

Legal Name and Address

**01** Fuel Type  
**Diesel**

**Tax Due/(Credit)**  
\$  
(from box **L** of the Schedule on the reverse)

### Cancellation of your IFTA Licence

If you are no longer in business, enter your last date of business.

Year Month Day

<b>1 Interjurisdictional Units</b> What is the number of qualified vehicles included in this reporting period? _____ attach separate lists if necessary	<b>2 Did you purchase any fuel into Ontario Bulk Fuel Storage during this period?</b> <input type="checkbox"/> Yes, if yes please provide. Name(s) & address(es) of your bulk fuel supplier(s): _____ _____ attach separate lists if necessary	<b>3 Are you an owner/operator?</b> <input type="checkbox"/> Yes, if yes please provide. The IFTA account number(s) of the carrier(s) for whom you worked during the period: _____ _____ attach separate lists if necessary
--	--	---

### Additional Fuel Type(s)

If you have added qualified motor vehicles to your fleet that are powered with a fuel type other than what you previously reported, you should contact this office for further instructions.

For your information:

### Retention of Records

Every registrant shall maintain records for a period of **four years** from the filing of this return to substantiate information reported. Such records must be made available for audit upon request. **Please retain a copy of this return for your records.**

### Certification

I certify that the financial and other statements of information included herein or attached hereto, are in agreement with the books of the interjurisdictional carrier and exhibit truly, correctly and completely all information for the period covered by this return.

### Office Use Only - Date Received

Name (please print)	Title	<input type="checkbox"/> Correspondence attached
( )		
Authorized Signature	Telephone Number	Date
<b>Was this return prepared by a person or firm other than the taxpayer?</b> <input type="checkbox"/> Yes, if yes, please provide details below		
Name (please print)	Address	
( )		
Preparer's Signature	Telephone Number	Date

PMIE11

008



Ministry of Finance  
Motor Fuel and Tobacco Tax Branch  
PO Box 620  
33 King Street West  
Oshawa ON L1H 8E9

## IFTA Return Payment Advice - IFTA 501

International Fuel Tax Agreement • Fuel Tax & Gasoline Tax Acts

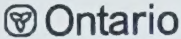
Please do not detach. Return with your cheque or money order made payable to the 'Minister of Finance' to: the Ministry of Finance, PO Box 620, Taxation Data Centre, 33 King St W, Oshawa, ON L1H 8E9 Canada. **Payment cannot be made at financial institutions.**

Quote this number when dealing with the Branch. <b>ON</b>	IFTA Account No.	Reporting Period (Year/Month/Day) from to	Due Date
--	------------------	--	----------

**Amount Enclosed**  
\$







Ministry of Finance  
Motor Fuels and Tobacco Tax Branch  
PO Box 620  
33 King Street West  
Oshawa ON L1H 8E9

## IFTA Quarterly Tax Return Summary - IFTA 503

International Fuel Tax Agreement • Fuel Tax & Gasoline Tax Acts

Quote this number when dealing with the Branch. <b>ON</b>	IFTA Account No.	Reporting period: (year/month/day) from to	Due Date	Check if applicable: <input type="checkbox"/> Cancel IFTA Licence
--	------------------	---	----------	--

Legal Name and Address

For each Fuel Type enter the Net Amount from box L of the appropriate Schedule.

01 Diesel	02 Gasoline	03 Gasohol	04 Propane	05 Natural Gas	06 Tax Due/(Credit)
\$	+	+	+	+	\$

1. If you are no longer in business and wish to cancel your IFTA Licence, enter your last day of business.

Year	Month	Day
------	-------	-----

2. Our records indicate your operations include the following fuel types. You must file a schedule for these fuel types even if there was no activity in this reporting period. You will be charged a penalty if you do not file a **complete** return. A complete return consists of the "Tax Return Summary" and a schedule for each fuel type used to operate your IFTA qualified motor vehicles.

01 Diesel      02 Gasoline      03 Gasohol      04 Propane      05 Natural Gas

Please contact the Ministry for further instructions, if your operations have changed.

For your information:

### Retention of Records

Every registrant shall maintain records for a period of **four years** from the filing of this return to substantiate information reported. Such records must be made available for audit upon request. **Please retain a copy of this return for your records.**

### Certification

I certify that the financial and other statements of information included herein or attached hereto, are in agreement with the books of the interjurisdictional carrier and exhibit truly, correctly and completely all information for the period covered by this return.

Office Use Only - Date Received

☐ Correspondence attached

Name (please print) Title

( )

Authorized Signature Telephone Number Date

Was this return prepared by a person or firm other than the taxpayer? ☐ Yes, please provide details below.

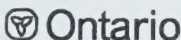
Name (please print) Address

( )

Preparer's Signature Telephone Number Date

PM1013

009



Ministry of Finance  
Motor Fuels and Tobacco Tax Branch  
PO Box 620  
33 King Street West  
Oshawa ON L1H 8E9

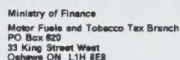
## IFTA Return Payment Advice - IFTA 503

International Fuel Tax Agreement • Fuel Tax & Gasoline Tax Acts

Please do not detach. Return with your cheque or money order made payable to the 'Minister of Finance' to: the Ministry of Finance, PO Box 620, Taxation Data Centre, 33 King St W, Oshawa, ON L1H 8E9 Canada. **Payment cannot be made at financial institutions.**

Quote this number when dealing with the Branch. <b>ON</b>	IFTA Account No.	Reporting period: (year/month/day) from to	Due Date
--	------------------	---	----------

<b>N</b> Amount Enclosed
\$



## International Fuel Tax Agreement • Fuel Tax &amp; Gasoline Tax Acts

**This schedule must be completed and filed even if there was no activity this period.**

Quote this number when dealing with the Branch.	IFTA Account No. <b>ON</b>	Reporting Period (Year/Month/Day) from to
---	-------------------------------	--

Legal Name

Due Date
----------

- Select where applicable:
- ☐ Amended Schedule
- ☐ No Interjurisdictional Operations this tax period
- ☐ Cancel this fuel type
- ☐ All travel & fuel reported by another company

**Conversion Chart**  
 1 Imperial Gallon = 4.546 litres  
 1 US Gallon = 3.785 litres  
 1 Mile = 1.6093 kilometres

Please read the guide before completing this schedule and attach copies of this schedule if necessary.

<p><b>1 Interjurisdictional Units</b></p> <p>What is the number of qualified vehicles included in this reporting period?</p> <p>_____</p>	<p><b>2 Did you purchase any fuel into Ontario Bulk Fuel Storage during this period?</b> <input type="checkbox"/> Yes, if yes please provide.</p> <p>Name(s) &amp; address(es) of your bulk fuel supplier(s):</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>attach separate lists if necessary</p>	<p><b>3 Are you an owner/operator?</b> <input type="checkbox"/> Yes, if yes please provide.</p> <p>The IFTA account number(s) of the carrier(s) for whom you worked during the period:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>attach separate lists if necessary</p>
---	--	---

### Calculating Average Kilometres per Litre

<div style="text-align: center;">A</div> <div>Total Kilometres Travelled (Everywhere)</div>	<div style="text-align: center;">B</div> <div>Total Litres of Fuel issued (Everywhere)</div>	<div style="text-align: center;">C</div> <div>Average KPL (A divided by B = C)</div>

Note: Round A and B to nearest kilometre and litre and the Average KPL to 2 decimal places

Calculating Tax Due / (Credit) - Complete one tax line for each IFTA jurisdiction in which you travelled this period. Include a second line if the jurisdiction has a surcharge. (refer to IFTA tax Rates - IFTA 521 for tax rates and surcharge information)

[illegible]

Transfer Net Amount to the applicable fuel type box on the IFTA Quarterly Tax Return Summary.









3 1761 11546154 3